

MULTIFAMILY COAL TRUST HOMES PROGRAM MULTIFAMILY RENTAL – PERMANENT LOAN PROGRAM

PROGRAM HIGHLIGHTS

Type of Program:	The Montana Legislature passed HB16 during the 2019 session. The bill allows for the use of \$15 million of Coal Trust funds to be invested in loans to projects providing multifamily rental homes. Projects must be subject to property taxes.
Eligible Applicants:	Applicant can be a for-profit, non-profit, or governmental entity. The property must be held by a Single Asset Entity.
Types of Projects:	New construction, acquisition and/or rehabilitation of existing multifamily rental homes; and Acquisition of land for multifamily rental homes including land trusts for rental, mobile or manufactured homes.
Security:	First Mortgage; may be a loan participation or pari passu.
Loan-to-Development Cost	95% or less of Loan to Development Cost is the maximum loan that can be approved per Montana code.
Loan-to-Value: (LTV)	Loans with appraised replacement cost/value 60% or higher will be analyzed and may be required to obtain mortgage insurance, guarantees, credit enhance or a combination.
Loan Amounts:	Maximum loan based on loan-to-value as noted above. It is also limited by total funds available currently at \$15 million.
Loan Term:	30-year fixed rate max but will consider other variations.
Reserve Requirements:	Escrows established for property taxes and hazard insurance, operating reserve and reserve for replacement.
Loan Rate:	1.5625% if targeting 30% or less AMI households; 2.5625% if targeting 31% and 50% AMI households; 3.5625% if targeting 51% and 80% AMI households; 5.5625% if targeting 81% and 95% AMI households; and Weighted average if targeting multiple ranges.
Underwriting and Fee Limitations:	Underwriting assumptions and fee limitations will follow the most current Qualified Allocation Plan for Housing Credits. https://housing.mt.gov/Multifamily-Development/Qualified-Allocation-Plan
MBOH Fees:	Total of 1% of mortgage loan amount due at application
Mortgage Insurance:	See LTV above
Compliance Fees:	Will match current compliance fees for Housing Credits. https://housing.mt.gov/Portals/218/Shared/2020QAPFeeSchedule.pdf